

February 21, 2003

Country of Origin Labeling Program
Agricultural Marketing Service
USDA STOP 0249
Room 2092-S
1400 Independence Avenue, SW
Washington, DC 20250-0249

Office of Management and Budget
Attention: Desk Officer
New Executive Office Building
725 17th Street, NW Room 725
Washington, DC 20503

Clearance Officer
USDA-OCIO\Room 404-W
Jamie L. Whitten Building
Stop 7602
1400 Independence Avenue, SW
Washington, DC 20250-7602

RE: Docket Number LS-02-6

Dear Sir or Madam:

On behalf of the nearly 300,000 family farm and ranch members of the National Farmers Union (NFU), I am pleased to respond to Federal Register: November 21, 2002 (Volume 67 Fed. Reg. 70205-70206), for Agricultural Marketing Service, USDA notice and request for comment on implementation of voluntary country-of-origin labeling.

NFU policy has long supported mandatory country-of-origin labeling of agricultural products. Title X, Section 10816, Country of Origin Labeling (Act) of the Farm Security and Rural Investment Act of 2002 was straightforward and clearly written to insure that country-of-origin labeling would be implemented utilizing existing systems as a model.

We believe USDA cost estimates for implementing country-of-origin labeling are flawed in that the methodology USDA used failed to incorporate existing programs into their model. The result is that USDA has re-invented a new costly system that unduly places the burden for record keeping on farmers and ranchers.

USDA cost estimates are based upon the fact that every one of the 2 million farmers, ranchers and fisherman in the country will need to implement a record keeping system. Not every agriculture producer in the U.S. produces commodities that require labeling, nor was it the intent of the law to place the full burden for record keeping upon the

American producer. The law specifically states that the Secretary shall **not** use a mandatory identification system to verify the country-of-origin of livestock, and that existing certification programs may be used as a model. The carcass grading and certification program, the child and adult care food program, and the market access program were specifically listed in law as models that may be used. Instead, USDA has proposed a completely new system, none of which follows the intent of 2002 law.

The majority of cattle, hogs and sheep slaughtered in the United States are domestic born and raised livestock, and the minority of livestock are imported for slaughter. According to the most recent data available from Economic Research Service, the United States slaughtered just over 36 million head of cattle in 1999. In that same year, the United States imported approximately 1.9 million head of live cattle from Mexico and Canada. Therefore, the most practical and effective method to verify the country of origin for livestock is to accurately identify the minority of livestock ineligible for the United States label. This is already being done by a number of USDA agencies; it is just a matter of coordinating existing programs.

Currently, USDA's Animal and Plant Health Inspection Service (APHIS) requires that all animals imported into the United States be accompanied by an APHIS health certificate. The APHIS health certificate requires documentation of the country from which the animals were imported. The health certificate, or the issuance of a similar certificate, provides verification that an animal has been imported. USDA should require all importers of livestock to obtain such a certificate. The certificate should remain with the imported animal and transferred to the packer at the time of slaughter or to any new owner at the point of sale. The country or countries of origin from which the animals were imported should be included on the certificate.

Agricultural Marketing Service's (AMS), Domestic Origin Verification Program is in place to ensure that all raw materials used to produce meat and meat products purchased by USDA for federally funded food assistance programs, are derived from U.S. produced animals. The Domestic Origin Verification Program requires that slaughters and processors identify themselves as "domestic only" or "segregation plan" facilities. "Domestic only" suppliers receive a yearly audit of their procurement records to ensure that they comply with the U.S. produced provision. "Segregation plan" suppliers, after establishing identification and record quality control systems, receive quarterly audits that include interviews with plant management and FSIS officials to ensure compliance with U.S. produced provisions. The current definition of domestic product should be revised to include only products manufactured from livestock exclusively born raised and slaughtered in the United States.

Food Safety and Inspection Service (FSIS) regulates containers of products imported to the United States and they must bear the name of the country of origin, as well as the number assigned by the foreign meat inspection system to the establishment in which they were prepared. If imported products are intended to be sold intact to a processor, wholesaler, food service institution, grocer or consumer, the original packaging with the country-of-origin labeling and the establishment number must remain with the product.

When an imported product is to be further processed and prepared, the resultant product is not required to bear the country of origin.

The country of origin is listed on boxes or crates for imported fruits and vegetables and is a matter of the retailer transferring the country-of-origin label from the crates or boxes to the bins or shelves in the stores. However, in the case of imported animals or meat products that are further prepared and processed, USDA should establish regulations that ensure documentation of the origin(s) of the products that identify imported animals and meat products through the system to the retail shelf.

Section 284 of the country-of-origin law says the Secretary shall, to the maximum extent practicable, enter into partnerships with States with enforcement infrastructure to assist in the administration of the law. Since 1979, Florida has had a country-of-origin labeling program for fresh fruits and vegetables. The Florida Department of Agriculture and Consumer Services verifies compliance with the law as a part of the routine inspection of all retail food stores in the state. The country-of-origin labeling law in Florida has proven to be effective and economical providing beneficial information to all consumers.

NFU urges USDA to pursue a farmers/rancher friendly implementation of country-of-origin labeling. It does not make sense to require undue burden of record keeping on every producer in the U.S., when records are already kept on animals and products imported into this country. The examples of existing programs cited above, make it clear that the proposed record-keep proposed by USDA are unnecessary.

NFU appreciates the opportunity to offer its views on country-of-origin labeling. We will continue to work with USDA to provide our insights on this very important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Frederickson". The signature is fluid and cursive, with the first name "David" being more prominent.

David J. Frederickson
president